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Cordero - A World Leading Silver Development Project

**SCP RESOURCE FINANCE
GLOBAL SILVER CONFERENCE**

October 23, 2024

TSX: DSV | OTCQX: DSVSF | [DISCOVERYSILVER.COM](https://www.discoverysilver.com)

Discovery**silver**



Forward Looking Statement & NI 43-101 Disclosure

This presentation may include forward-looking statements that are subject to inherent risks and uncertainties. All statements within this presentation, other than statements of historical fact, are to be considered forward looking. Although Discovery believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those described in forward-looking statements. Statements include but are not limited to the feasibility of the Project and its attractive economics and significant exploration upside; construction decision and development of the Project, timing and results of the feasibility study and the anticipated capital and operating costs, sustaining costs, net present value, internal rate of return, the method of mining the Project, payback period, process capacity, average annual metal production, average process recoveries, concession renewal, permitting of the Project, anticipated mining and processing methods, feasibility study production schedule and metal production profile, anticipated construction period, anticipated mine life, expected recoveries and grades, anticipated production rates, infrastructure, social and environmental impact studies, the completion of key de-risking items, including the timing of receipt permits, availability of water and power, availability of labour, job creation and other local economic benefits, tax rates and commodity prices that would support development of the Project, and other statements that express management's expectations or estimates of future performance, operational, geological or financial results. Information concerning mineral resource/reserve estimates and the economic analysis thereof contained in the results of the feasibility study are also forward-looking statements in that they reflect a prediction of the mineralization that would be encountered, and the results of mining, if a mineral deposit were developed and mined. Forward-looking statements are statements that are not historical facts which address events, results, outcomes or developments that the Company expects to occur. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of risks and uncertainties.

Factors that could cause actual results to differ materially from those described in forward-looking statements include fluctuations in market prices, including metal prices, continued availability of capital and financing, and general economic, market or business conditions, the actual results of current and future exploration activities; changes to current estimates of mineral reserves and mineral resources; conclusions of economic and geological evaluations; changes in project parameters as plans continue to be refined; the speculative nature of mineral exploration and development; risks in obtaining and maintaining necessary licenses, permits and authorizations for the Company's development stage and operating assets; operations may be exposed to new diseases, epidemics and pandemics, including any ongoing or future effects of COVID-19 (and any related ongoing or future regulatory or government responses) and its impact on the broader market and the trading price of the Company's shares; provincial and federal orders or mandates (including with respect to mining operations generally or auxiliary businesses or services required for operations) in Mexico, all of which may affect many aspects of the Company's operations including the ability to transport personnel to and from site, contractor and supply availability and the ability to sell or deliver mined silver; changes in national and local government legislation, controls or regulations; failure to comply with environmental and health and safety laws and regulations; labour and contractor availability (and being able to secure the same on favourable terms); disruptions in the maintenance or provision of required infrastructure and information technology systems; fluctuations in the price of gold or certain other commodities such as, diesel fuel, natural gas, and electricity; operating or technical difficulties in connection with mining or development activities, including geotechnical challenges and changes to production estimates (which assume accuracy of projected ore grade, mining rates, recovery timing and recovery rate estimates and may be impacted by unscheduled maintenance); changes in foreign exchange rates (particularly the Canadian dollar, U.S. dollar and Mexican peso); the impact of inflation; geopolitical conflicts; employee and community relations; the impact of litigation and administrative proceedings (including but not limited to mining reform laws in Mexico) and any interim or final court, arbitral and/or administrative decisions; disruptions affecting operations; availability of and increased costs associated with mining inputs and labour; delays in construction decisions and any development of the Project; changes with respect to the intended method of mining and processing ore from the Project; inherent risks and hazards associated with mining and mineral processing including environmental hazards, industrial accidents, unusual or unexpected formations, pressures and cave-ins; the risk that the Company's mines may not perform as planned; uncertainty with the Company's ability to secure additional capital to execute its business plans; contests over title to properties; expropriation or nationalization of property; political or economic developments in Canada and Mexico and other jurisdictions in which the Company may carry on business in the future; increased costs and risks related to the potential impact of climate change; the costs and timing of exploration, construction and development of new deposits; risk of loss due to sabotage, protests and other civil disturbances; the impact of global liquidity and credit availability and the values of assets and liabilities based on projected future cash flows; risks arising from holding derivative instruments; and business opportunities that may be pursued by the Company. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such

uncertainties. Discovery does not assume any obligation to update any forward-looking statements except as required under applicable laws. The risks and uncertainties that may affect forward-looking statements, or the material factors or assumptions used to develop such forward-looking information, are described under the heading "Risks Factors" in the Company's Annual Information Form dated March 30, 2023, which is available under the Company's issuer profile on SEDAR+ at www.sedarplus.ca.

Mineral Resource estimates reported herein have been classified as Measured, Indicated, or Inferred, and Mineral Reserve estimates reported herein have been classified as Proven or Probable, in each case based on the confidence of the input data, geological interpretation, and grade estimation parameters. The Mineral Resource and Mineral Reserve estimates were prepared in accordance with NI 43-101 and classifications adopted by the CIM Council. Statements regarding the results of the feasibility study ("FS") are Forward Looking Statements, as are the anticipated capital and operating costs, sustaining costs, net present value, internal rate of return, payback period, process capacity, average annual metal production, average process recoveries, concession renewal, permitting of the Cordero project, anticipated mining and processing methods, proposed pre-feasibility study production schedule and metal production profile, anticipated construction period, anticipated mine life, expected recoveries and grades, anticipated production rates, infrastructure, social and environmental impact studies, availability of labour, tax rates and commodity prices that would support development of the Cordero project. Information concerning mineral resource or reserve estimates and the economic analysis thereof contained in the results of the FS are also Forward Looking Statements in that they reflect a prediction of the mineralization that would be encountered, and the results of mining, if a mineral deposit were developed and mined. Forward-looking statements are statements that are not historical facts which address events, results, outcomes, or developments that the Company expects to occur.

Gernot Wober, P. Geo. V.P Exploration, Discovery Silver Corp., is the Company's designated Qualified Person within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed and validated that the information contained herein is accurate. All sources of data contained herein are from Discovery Silver unless otherwise noted.

References (used through current presentation):

- The most recent resource estimate and mineral reserve estimate for the Cordero project were press released on February 20, 2024. Resource commodity prices of Ag - \$24.00/oz, Au - \$1,800/oz, Pb - \$1.10/lb, Zn - \$1.20/lb. Reserve commodity prices of Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb, Zn - \$1.20/lb. Summary tables can be found in the Appendices. A technical report will be posted on Discovery's website and filed on SEDAR within 45 days of the press release.
- AgEq for sulphide mineral resources is calculated as $Ag + (Au \times 15.52) + (Pb \times 32.15) + (Zn \times 34.68)$; these factors are based on commodity prices of Ag - \$24.00/oz, Au - \$1,800/oz, Pb - \$1.10/lb, Zn - \$1.20/lb and assumed recoveries of Ag - 87%, Au - 18%, Pb - 89% and Zn - 88%. AgEq for oxide mineral resources is calculated as $Ag + (Au \times 22.88) + (Pb \times 19.71) + (Zn \times 49.39)$; this factor is based on commodity prices of Ag - \$24.00/oz and Au - \$1,800/oz and assumed recoveries of Ag - 59%, Au - 18%, Pb - 37% and Zn - 85%.
- AgEq Produced is metal recovered in concentrate. AgEq Payable is metal payable from concentrate and incorporates metal payment terms outlined in the Feasibility Study press release dated February 20, 2024. AgEq Produced and AgEq Payable are calculated as $Ag + (Au \times 72.7) + (Pb \times 45.5) + (Zn \times 54.6)$; these factors are based on (\$US): \$22.00/oz Ag, \$1.20/lb Zn, \$1.00/lb Pb, \$1,600/oz Au.
- FS by Ausenco Engineering Canada Inc., as press released on February 20, 2024. FS commodity prices (\$US): \$22.00/oz Ag, \$1.20/lb Zn, \$1.00/lb Pb, \$1,600/oz Au. A technical report is posted on Discovery's website and has been filed on SEDAR.
- AISC is calculated as $[Operating\ costs\ (mining,\ processing\ and\ G\&A) + Royalties + Concentrate\ Transportation + Treatment\ \&\ Refining\ Charges + Concentrate\ Penalties + Sustaining\ Capital\ (excluding\ \$37M\ of\ capex\ for\ the\ purchase\ of\ the\ initial\ mining\ fleet\ in\ Y1) + Closure\ Costs] / Payable\ AgEq\ ounces$
- Free cash flow - Free Cash Flow is a non-GAAP performance measure that is calculated as cash flows from operations net of cash flows invested in mineral property, plant and equipment and exploration and evaluation assets. The Company believes that this measure is useful to the external users in assessing the Company's ability to generate cash flows from its mineral projects

Discovery Silver Corp.

The Cordero Silver Project

World's largest undeveloped silver reserve

Located in prolific mining belt in northern Mexico

Feasibility Study released February 2024

Permitting process progressing





A World-Leading Silver Development Project

Cordero - a large-scale, low-cost, capital-efficient project that generates excellent returns



Large-scale production

37Moz AgEq produced annually
(Years 1 - 12)

Excellent profitability

Average AISC <\$12.50/oz
(Years 1 - 8)

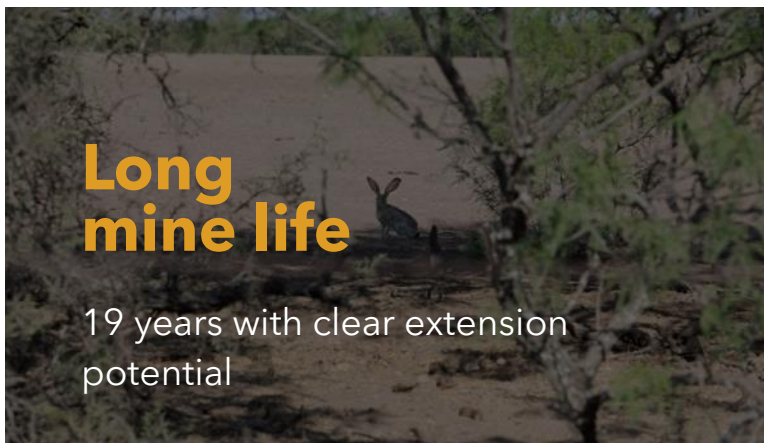


Exceptional economics

After-tax NPV(5%) of \$1.2 billion
growing to \$2.2 billion in Year 4

Low capital intensity

NPV(5%) to Capex ratio of 2x



Long mine life

19 years with clear extension potential

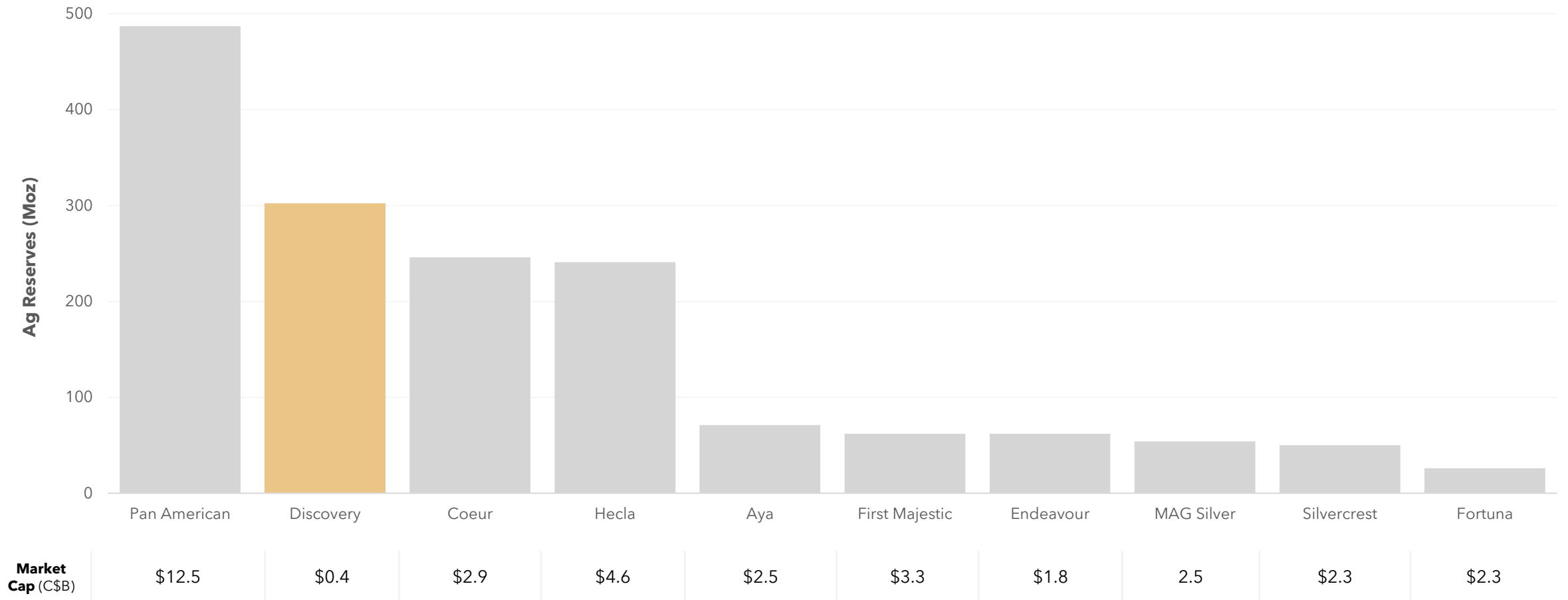
Major economic contributor

Significant job creation, capital investment, purchasing of goods and services and taxes paid



Silver Reserves vs. Producer Peers

Second highest reserve base among North American listed silver producers

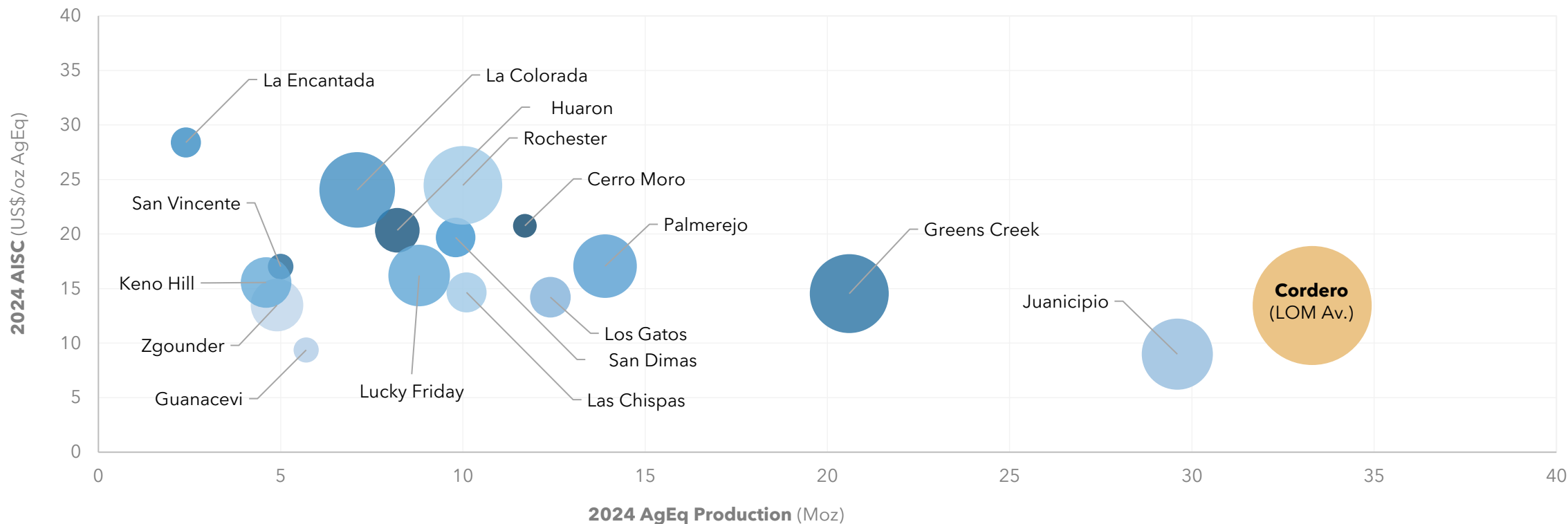


Source: Company reports, Market cap is based stock prices on October 22, 2024

Large Scale & Low Cost

Cordero is uniquely positioned in the silver space based on its volume of production, low costs and resource size

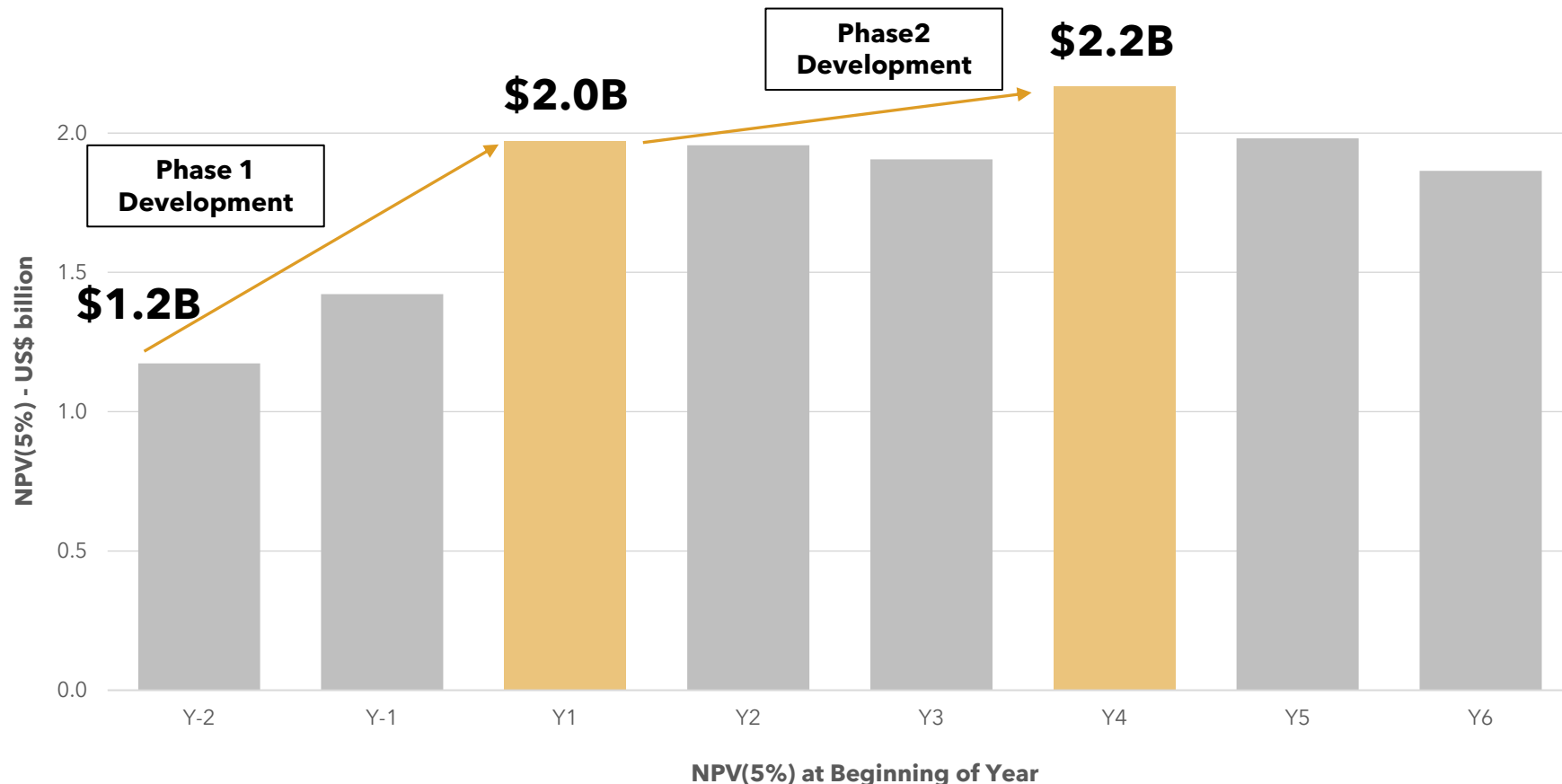
AgEq Production & AISC & Ag Resource (M&I)¹



1. Source: AgEq production and AISC sourced from BMO Capital Markets Equity Research and street consensus. Cordero AgEq production is annual average and AISC is LOM average. M&I silver resource is sourced from Company reports and is inclusive of reserves.

After-tax NPV Accretion & Silver Price Leverage

After-tax NPV(5%) of \$1.2B at US\$22/oz Ag, growing to \$2.2B in Year 4



At current spot metal prices¹:

- NPV(5%) of US\$2.6Bn
- NPV(5%) grows to US\$3.6Bn in Year 4

1. Current spot metal prices as of October 22, 2024, include: silver: US\$34.55 per ounce; gold: US\$2,738 per ounce, zinc: US\$1.39 per pound and lead: US\$0.93 per pound versus Feasibility Study prices of silver: US\$22.00 per ounce; gold: US\$1,600 per ounce; zinc: US\$1.20 per pound; lead: US\$1.00 per pound.

Favourable Outlook for Silver

Favourable market fundamentals driving significant increase in silver price

Silver Spot Price (US\$/oz)



- 1 Year increase: 47%
- YTD 2024 increase: 42%

Source: Yahoo Finance

Generational Socio-Economic Benefits

>2,500

Jobs created during construction

>1,000

Jobs created during operations

US\$1.4Bn

Total investment life-of-mine

US\$4Bn

Local purchasing; indirect jobs/supply chains

US\$2.6Bn¹

Tax revenue paid to gov'ts in Mexico



Environmental Leadership

Cordero is already being recognized as a leader in environmental responsibility in Mexico

- 3rd party reviews used to ensure leading environmental practices
- Investing US\$130M on site restoration
- Awards: Quality Environmental Certification by PROFEPA¹
Socially Responsible Enterprise Distinction²
Great Place to Work Certification³



¹ Received the Quality Environmental Certification from Mexico's Federal Attorney's Office for Environmental Protection (PROFEPA) in 2023

² Received from the Mexican Centre for Philanthropy in 2023 and 2022

³ International distinction recognizing companies that create an outstanding employee experience, received in 2023 and 2022

A Key Contributor to a Lower Carbon World

DSV Team brings extensive experience in electrification and other forms of green energy

Discovery is evaluating the use of:

- Solar farms
- Battery electric for service and utility vehicles
- Electrification
- Trolley assist
- Autonomous delivery systems
- 5G Wireless Networks for automation and digitization
- AI applications wherever practical



Responsible Water Management

Minimal impact on local water resources

- Treated wastewater to be primary source of water for Cordero operation
- Bringing technology and investment in infrastructure to support improved water treatment in the community
- >85% of water used will be recycled



2024 Work Program

Work program focused on permitting, engineering and project financing



Permitting

- Environmental Impact Assessment (MIA) submitted in August 2023
- Submission of Change of Land Use (CUS) pending



Project De-risking

- Front-end Engineering Design to enable ordering long lead-time items
- Engineering related to enhanced power generation and water treatment



Project Financing

- All financing options being advanced; equity, debt, offtake, partnerships, streams & strategic alternatives

Open-Pit Initiative – History

- **2023 - 100 Steps for the Transformation - Claudia Sheinbaum**

#87: “No more open pit mining concessions will be granted. Those that have concessions will be evaluated as long as they are recognized by the population and do not have environmental impacts. Hydrocarbon exploitation through fracking will not be allowed”

- **February 2024 - AMLO’s 20 Constitutional Reform Proposals**

Includes proposal to prohibit the granting of new mining concessions for open-pit mining projects

- **October 1, 2024 - 100 Commitments - President Claudia Sheinbaum**

No mention of open-pit mining; only reference to mining is the need to increase national production of copper and lithium as part of larger energy transition strategy

Value Proposition



P/NAV (consensus): 0.3x

Cash balance: ~C\$35 M

Ticker: DSV-TSX, DSVSF-OTCQX

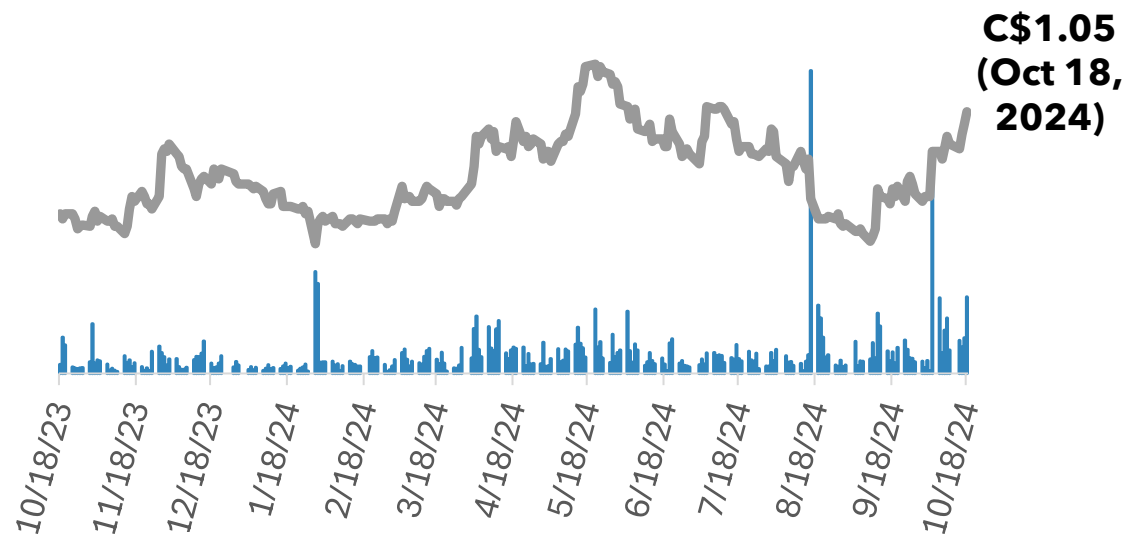
Share price: C\$1.05 (Oct 18, 2024)

Shares outstanding: 399 M

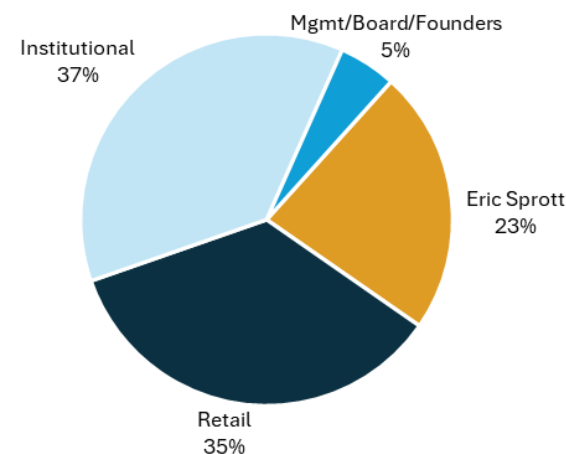
Fully diluted shares outstanding: 416 M

Basic market capitalization: C\$419M

1 Year Share Price Performance



Ownership



Do you have any
questions?

info@discoverysilver.com

416 613 9410

Experienced Management Team

Tony Makuch

President, CEO & Director

+35 years in mining incl. President & CEO of Kirkland Lake Gold (2016 - 2022)

Andreas L'Abbé

CFO & Corporate Secretary

+15 years in financial management & operations

Roman Solis

SVP, Mexico

+20 years mining operations & exploration in Mexico

Dimitry Demianyuk

VP Projects

+20 years in project development and management

Forbes Gemmell

VP, Corp. Development

+20 years in capital markets and mining

José Jabalera

VP, Corp. Affairs & Sustainability, Mexico

+15 years in senior federal and state government position in Mexico

Gord Leavoy

VP Mineral Processing

+40 years of processing & tailings experience incl. Kirkland Lake Gold

Mark Utting

VP Investor Relations

+35 years in IR, corporate communications and finance

Gernot Wober

VP Exploration

+35 years in exploration, incl. Osisko Mining

Experienced Board of Directors

Murray John
Chairman

+35 years in capital markets & executive management

Jeff Parr
Director

Current Vice-Chair of Agnico Eagle

Jennifer Wagner
Director

+15 years in legal and compliance incl. Kirkland Lake Gold

Tony Makuch
President, CEO & Director

+35 years in mining incl. President & CEO of Kirkland Lake Gold (2016 - 2022)

Moira Smith
Director

+30 years in exploration incl. Tech and Fronteer

Jon Gill
Advisor to the Board

+50 years in mining and current director of Agnico Eagle

Barry Olson
Director

Former SVP with Goldcorp, oversaw Penasquito build

Daniel Vickerman
Director

+20 years in capital markets & mining

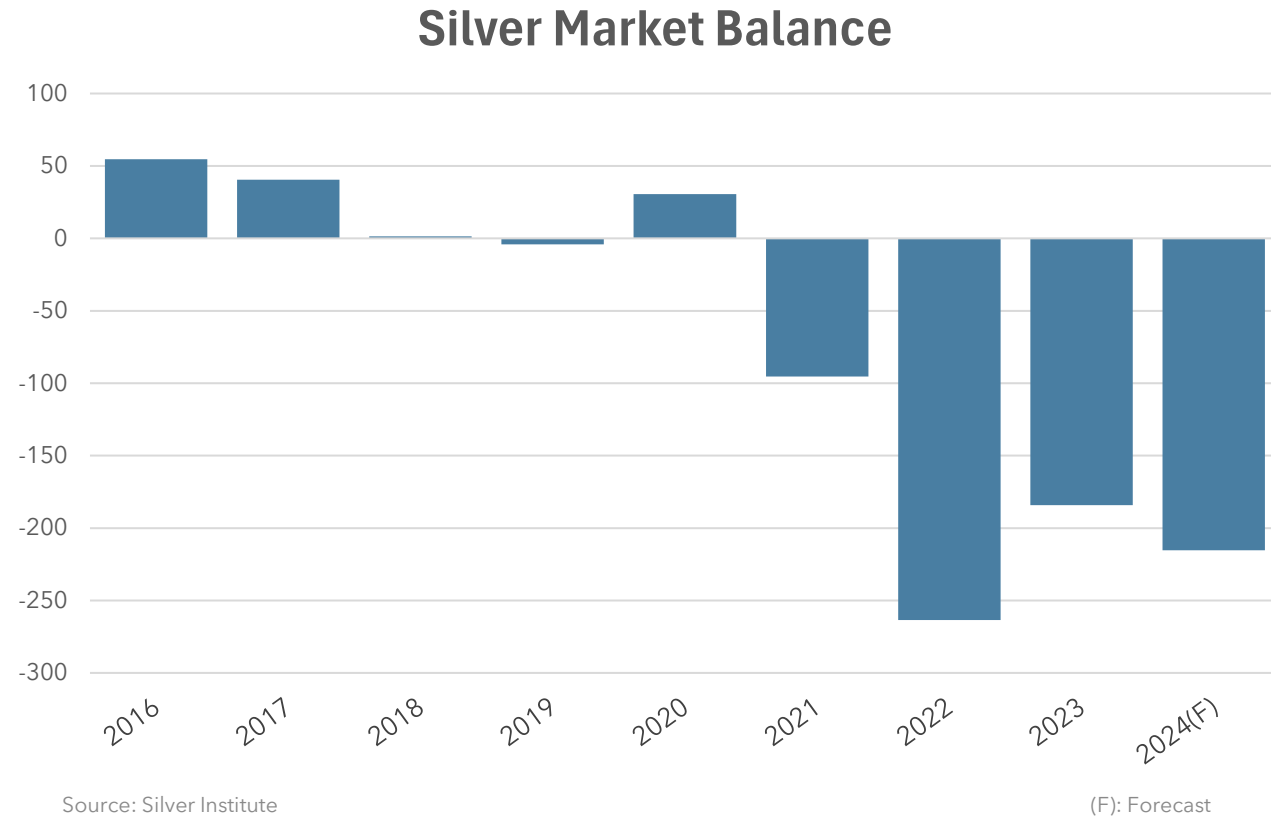
Mike Neumann
Advisor to the Board

+40 years in mining with focus on Mexico

Silver Demand Outstripping Supply

On track from a fourth consecutive year of market deficits in 2024

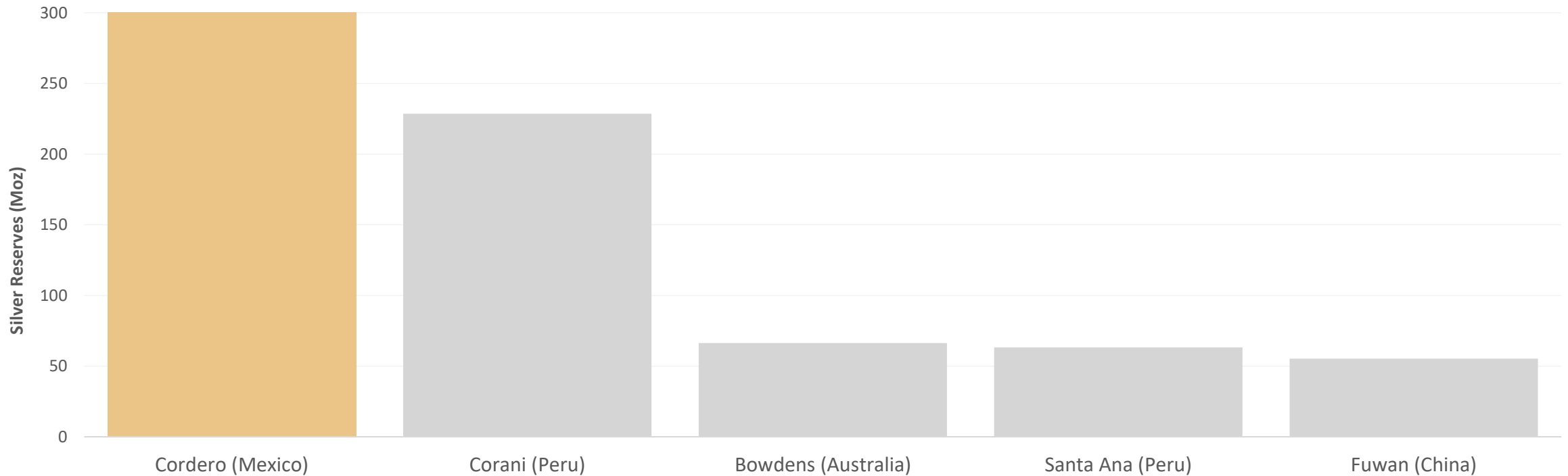
- Silver is critical for use in solar, BEVs and other green energy sources
- Silver market to be in deficit for the 4th consecutive year in 2024²
- Cordero can play a key role in providing needed supply to meet growing demand



Silver Reserves



Cordero ranks as the world's largest undeveloped silver deposit by reserves



Operating & Production Metrics

Poised to become a top 3 global silver producer

	Unit	2024 FS
Mine Life	(years)	19
Ore Tonnes	(Mt)	327
Strip Ratio	(w:o)	2.0
Silver Produced - Life of Mine	(Moz)	259
Lead Produced - Life of Mine	(Blb)	2.6
Zinc Produced - Life of Mine	(Blb)	4.4
Silver-equivalent Produced - Life of Mine	(Moz)	635
Silver Produced - Life of Mine	(Moz pa)	13.6
Lead Produced - Life of Mine	(Mlb pa)	135
Zinc Produced - Life of Mine	(Mlb pa)	233
Silver-equivalent Produced - Life of Mine	(Moz pa)	33



Financial Metrics

Cordero is a large-scale, capital-efficient project with low costs that is expected to generate substantial free cash flow

	Unit	2024 FS
Silver Price	(US\$/oz)	\$22.00
NPV(5%) - After-tax	(US\$M)	\$1,177
IRR - After-tax	(%)	22.0%
Payback - After-tax	(years)	5.2
Initial Capex	(US\$M)	\$606
Expansion Capex	(US\$M)	\$309
Sustaining Capex - Life of Mine	(US\$M)	\$388
Total Capex - Life of Mine	(US\$M)	\$1,302
AISC Y1 - Y8 - Co-product	(US\$/AgEq oz)	\$12.48
AISC Y1 - Y8 - Net of by-products	(US\$/Ag oz)	\$0.34
AISC Life of Mine - Co-product	(US\$/AgEq oz)	\$13.47
AISC Life of Mine - Net of by-products	(US\$/Ag oz)	\$1.77



Capex Summary

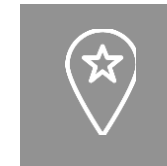
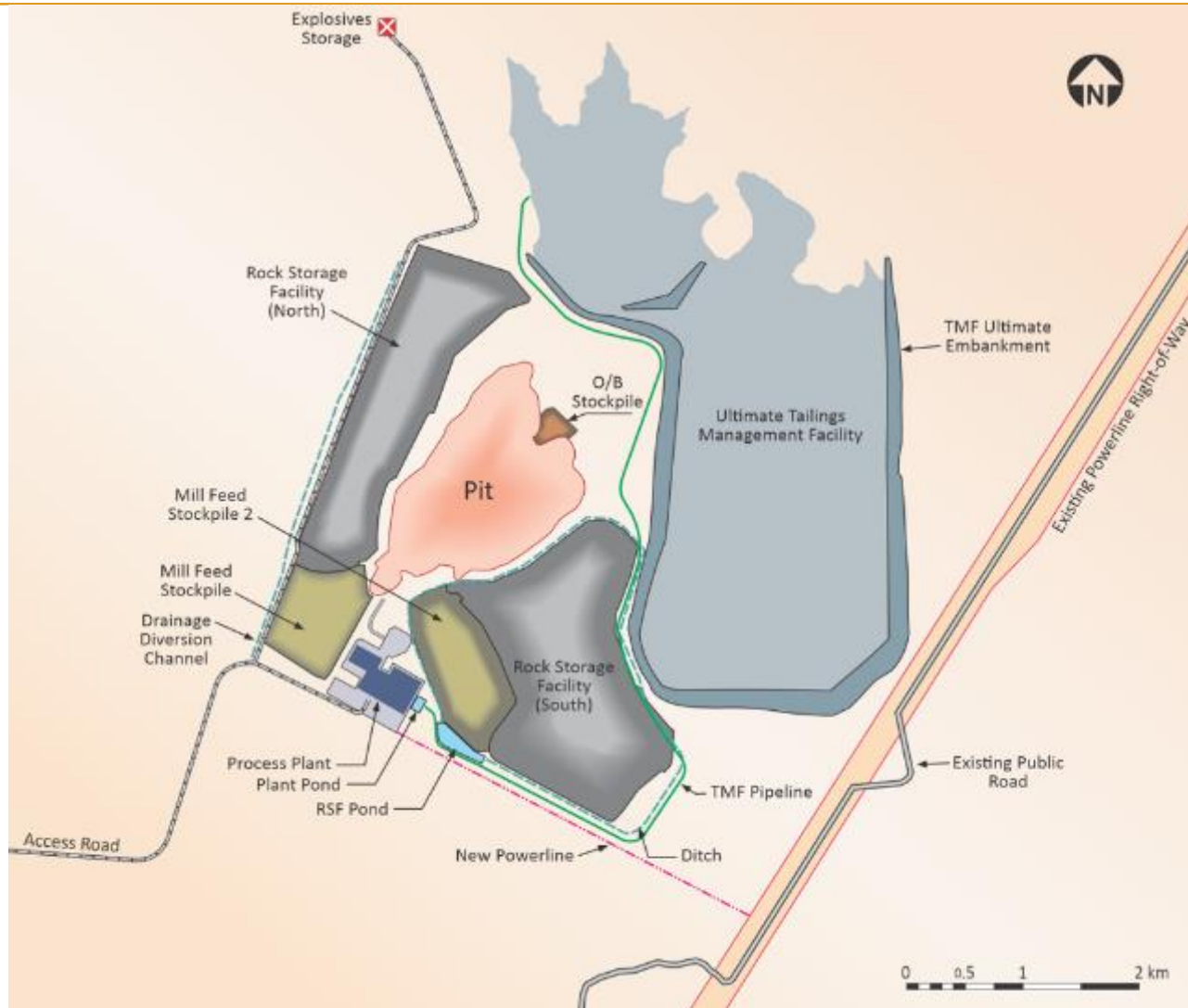
Highly capital efficient project with an NPV to Capex ratio of 2x

	INITIAL	EXPANSION	SUSTAINING	TOTAL LOM
CAPITAL EXPENDITURES (US\$ M)				
Mining	\$117	\$2	\$110	\$229
On-site Infrastructure	\$44	\$14	-	\$57
Process Plant	\$210	\$148	-	\$359
Tailings Management	\$28	\$60	\$221	\$310
Offsite Infrastructure	\$57	-	\$16	\$73
Project Indirects	\$73	\$44	\$11	\$128
Owner's Costs	\$11	\$4	-	\$14
Contingency	\$65	\$37	\$31	\$133
Closure costs/Salvage value	-	-	\$75	\$75
TOTAL CAPEX	\$606	\$309	\$463	\$1,377

Capital efficiency driven by:

- Staged expansion of process plant
- Simple and conventional process design
- Competent bedrock
- Thin overburden minimizes required earthworks
- Gentle topography
- Deposit comes to surface, resulting in minimal pre-strip
- Established infrastructure locally
- Proximity to the mining town of Parral (no need for large camp at site)

Site Layout



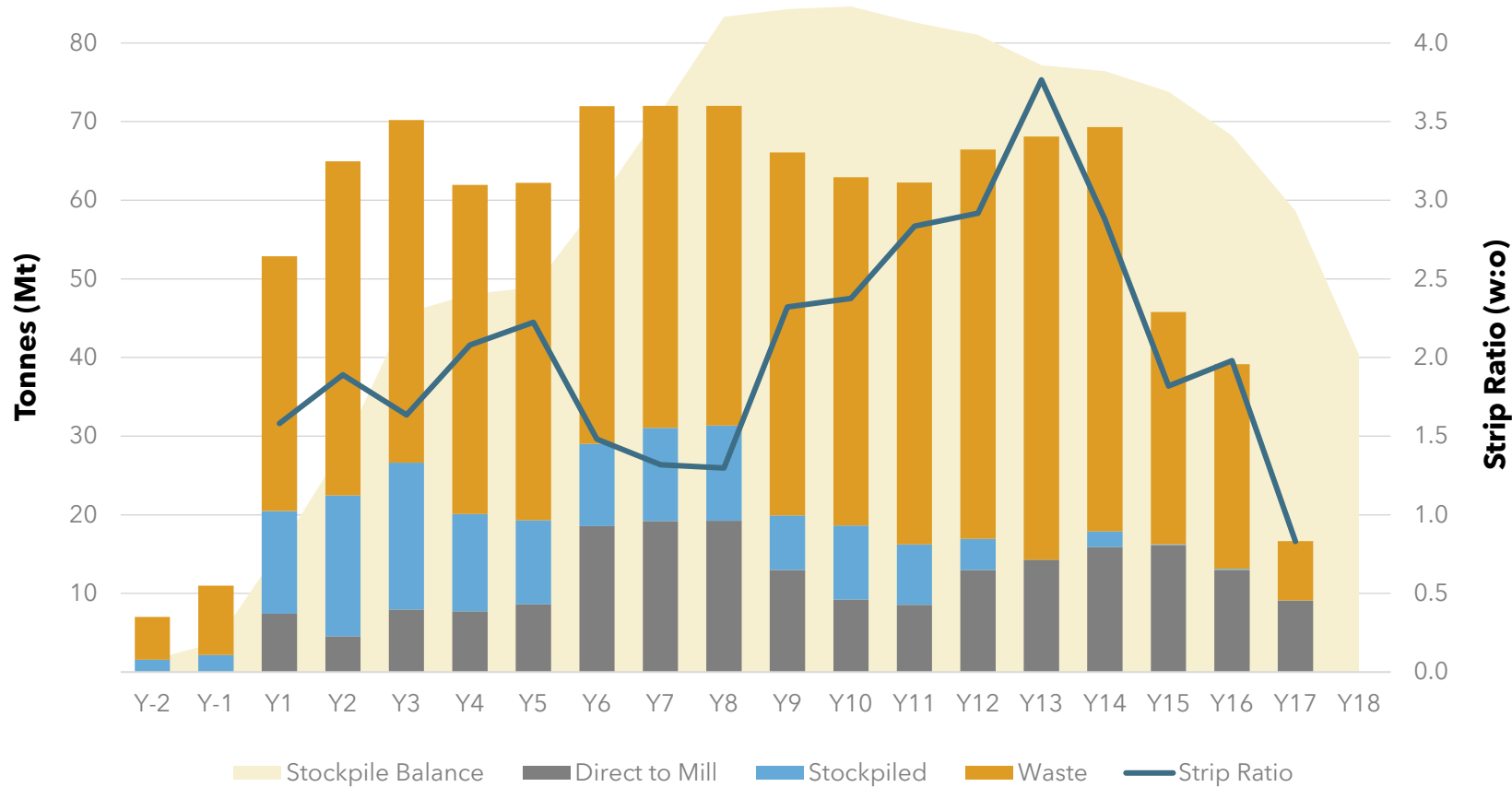
Site layout benefits from:

- Gentle topography
- Competent bedrock
- Non-acid generating waste rock
- Ample availability of borrow material
- No major relocation of infrastructure, lakes or waterways required

Process Site Layout



Straight-forward executable mine plan with steady mining rate



- Average strip ratio of 2.0:1 over life of mine
- Stockpiling of low-grade material allows higher grade material to be fed to mill earlier
- Steady mining rate of ~70Mt per annum

Metallurgical Performance

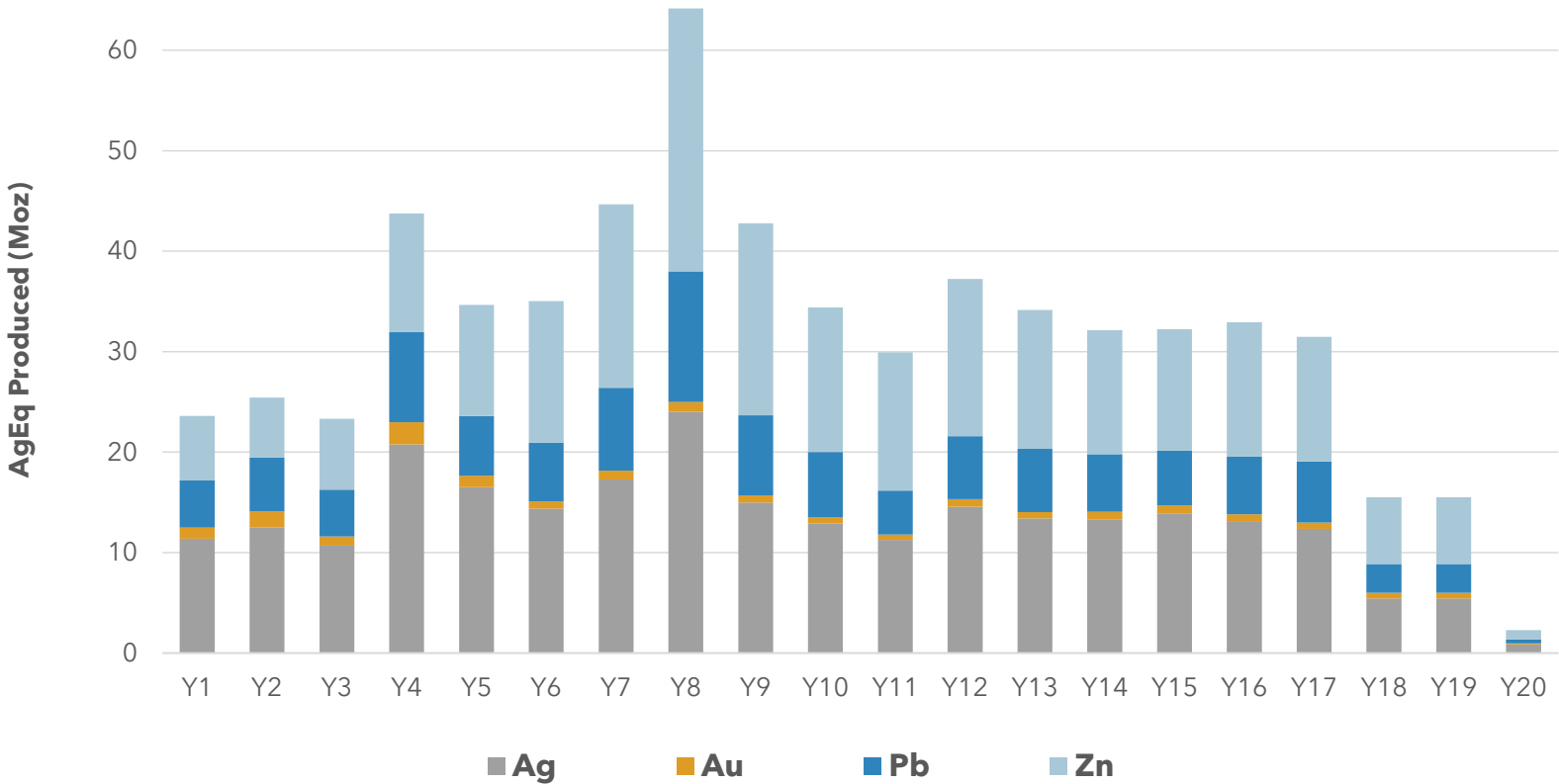
High recoveries achieved through conventional flotation at a coarse grind size

- Positive relationship between head grade and recoveries
- ~90% of recovered Ag is recovered to Precious Metals concentrate where highest payabilities are achieved
- Recoveries achieved at a coarse grind size with low reagent dosages

	Y1 - Y4	Life of Mine
Ag recovery - Total	91%	87%
Ag recovery - Precious Metals con	83%	77%
Ag recovery - Zn con	8%	10%
Pb recovery	91%	86%
Zn recovery	85%	85%

Metal Production

At 33Moz AgEq of average annual production, Cordero will be one of the world's largest silver mines



- 33Moz AgEq average annual production
- 64Moz AgEq peak annual production
- 635Moz AgEq life of mine production
- Silver represents +50% of net smelter return in Y1 - Y4 and +45% over the life of mine

Concentrate Marketing

High demand expected for clean saleable concentrates

- Significant volumes of clean Ag-Pb and Zn concentrates expected to have significant demand from local buyers and offshore smelters/traders
- Penalties make up less than 0.4% of gross revenues
- Assumed treatment charges and refining costs (TCRCs) for FS significantly higher than current spot TCRCs
- Average annual concentrate volumes
 - Ag-Pb con: 120,000 dry metric tonnes
 - Zn con: 210,000 dry metric tonnes

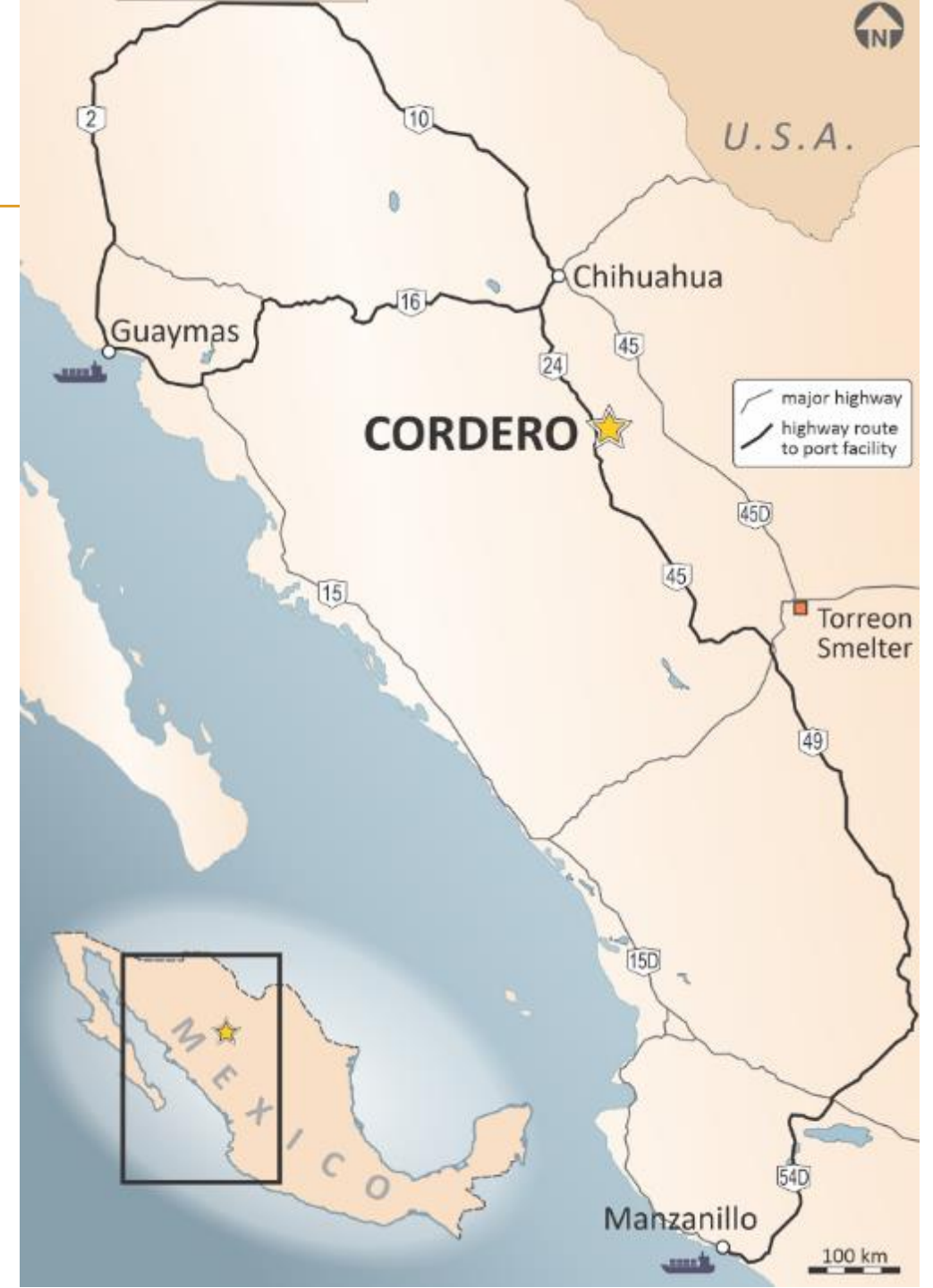
	Ag	Au	Pb	Zn
Precious Metals Concentrate				
Concentrate grades	3,062 g/t	2.05 g/t	50%	–
Payable metal	95%	95%	95%	–
Minimum deduction	50 g/t	1 g/t	3 units	–
Zinc Concentrate				
Concentrate grades	231 g/t	0.62 g/t	–	50%
Payable metal	70%	70%	–	85%
Deduction	3 oz/t	1 g/t	–	8 units
PARAMETER	UNITS	FS COST	SPOT	5-YEAR BENCHMARK AVERAGE
Treatment/Refining Charges				
Treatment charge - PM con	\$/dmt	\$120	~\$25	~\$130
Treatment charge - Zn con	\$/dmt	\$200	~\$90	~\$215
Ag refining charge - PM con	\$/oz	\$1.00	~\$1.00	~\$1.05

Concentrate Logistics

Both onshore and offshore options to be pursued for concentrate delivery

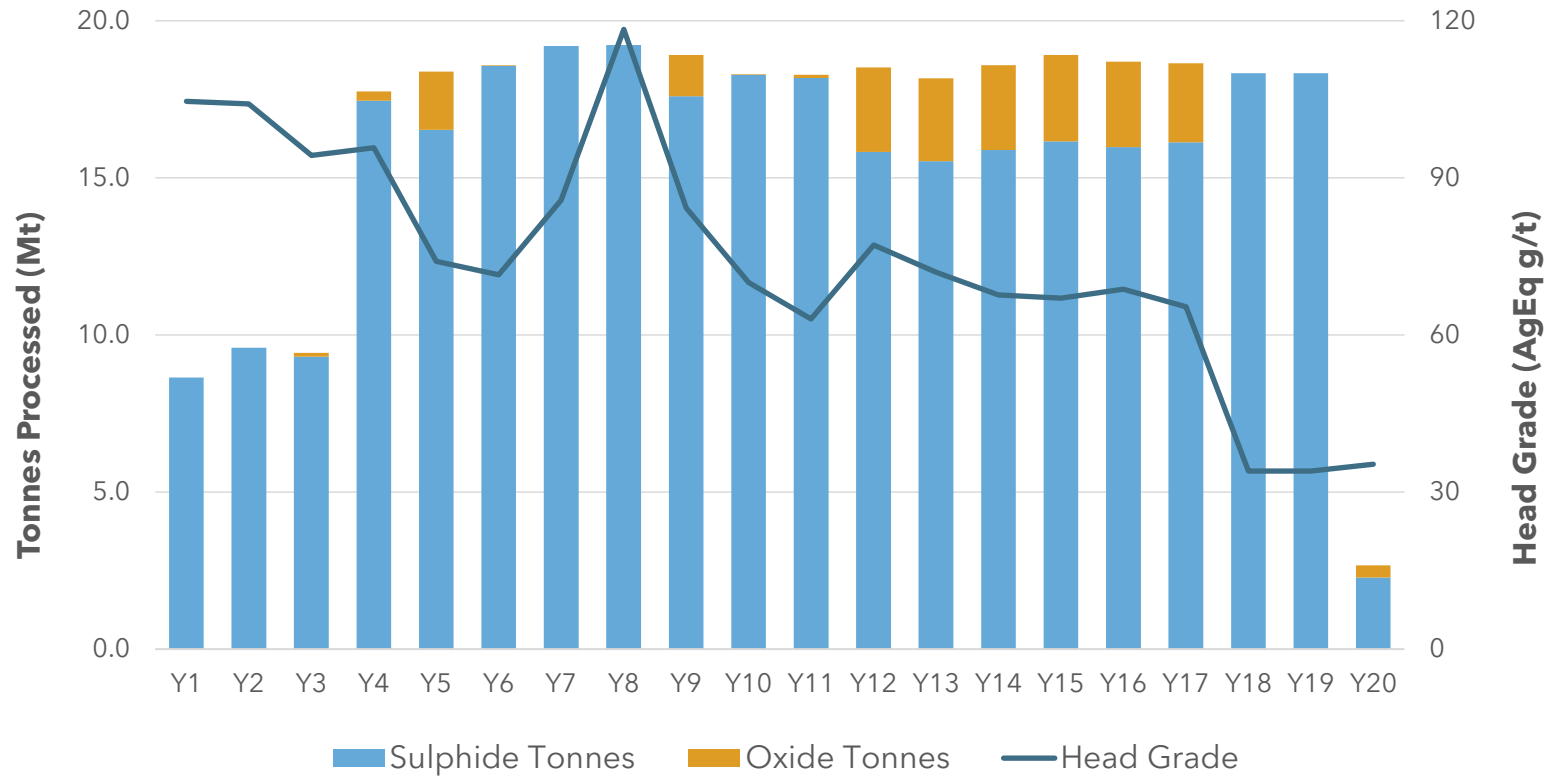


- In-country smelters include Torreon lead-zinc smelter owned by Penoles and the San Luis Potosi zinc smelter (central Mexico) owned by Grupo Mexico
- Concentrate for offshore to be trucked to either Guaymas or Manzanillo for shipping
- Offshore destination options include Japan, Korea, China, Europe and Canada



Process Throughput

High head grades in initial years drive early cash flow



- Average head grade +100 g/t AgEq in Y1 - Y3
- Mill expansion complete by Y4; expansion can be accelerated or deferred as required
- Slight throughput variations depending on work index of ore feed

Operating Costs

Costs benefit from a large-scale operation with a low strip ratio and excellent metallurgy

ITEM	UNIT COST		LOM COST
Mining Cost	\$2.35	(\$/t mined)	\$2,406M
	\$7.35	(\$/t processed)	
Processing Costs			
Phase 1 - 26ktpd	\$6.56	(\$/t processed)	\$2,056M
Phase 2 - 51ktpd	\$6.24	(\$/t processed)	
Site G&A			
Phase 1 - 26ktpd	\$0.97	(\$/t processed)	\$192M
Phase 2 - 51ktpd	\$0.54	(\$/t processed)	

Mining cost

- Generated from first principles
- Assumes owner-operated mining with lease financing

Processing cost

- Based on detailed comminution & flotation testwork
- Costs benefit from large scale, a simple flowsheet, coarse grind size and low reagent consumption

Site G&A cost

- Generated from first principles
- Costs benefit from only a small camp and administration office required at site

Project Economics

Attractive project economics with after-tax NPV(5%) of \$1.2 billion and IRR of 22%

	Unit	FS
NPV(5%) - After-tax	(US\$B)	\$1.2
IRR - After-tax	(%)	22.0%
Payback - After-tax	(years)	5.2
Free Cash Flow - After-tax	(US\$B)	\$2.3
NPV(5%) - Pre-tax	(US\$B)	\$2.0
IRR - Pre-tax	(%)	29.4%
Payback - Pre-tax	(years)	4.1
Free Cash Flow - Pre-tax	(US\$B)	\$3.7
AISC Y1 - Y8 - Co-product	(US\$/AgEq oz)	\$12.48
AISC Y1 - Y8 - Net of by-products	(US\$/Ag oz)	\$0.34
AISC Life of Mine - Co-product	(US\$/AgEq oz)	\$13.47
AISC Life of Mine - Net of by-products	(US\$/Ag oz)	\$1.77

- Financial metrics based on Ag - \$22/oz, Pb - \$1.00/lb and Zn - \$1.20/lb
- Payback period currently delayed due to timing of mill expansion build in Y3
- Opportunity to delay mill expansion for project financing purposes if required
- AISC <\$12.50/AgEq oz in Y1 - Y8 places Cordero in the bottom half of cost curve

Commodity Price Leverage

Unparalleled leverage to rising silver prices

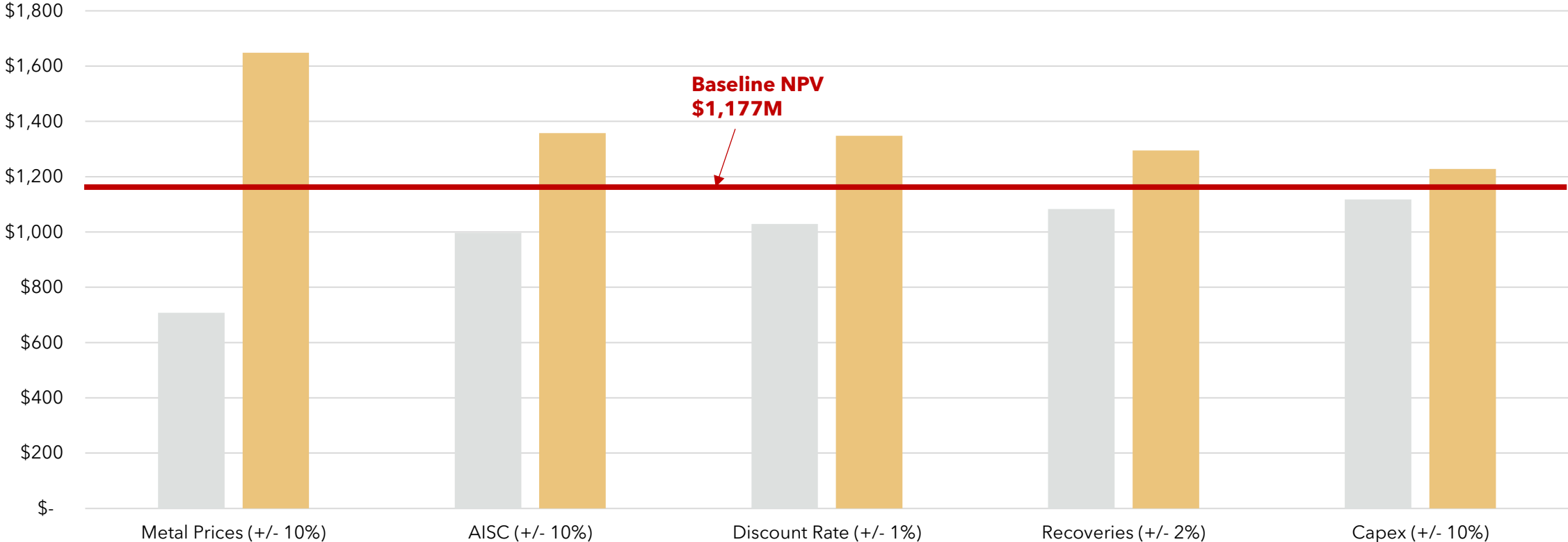
NPV/IRR/Payback sensitivity to Ag/Zn prices: (Fixed prices for Au = \$1,600/oz & Pb = \$1.00/lb)

	Ag (\$/oz)															
	\$18.00			\$20.00			\$22.00			\$25.00			\$30.00			
	NPV (5%) (US\$M)	IRR (%)	Payback (yrs)	NPV (5%) (US\$M)	IRR (%)	Payback (yrs)	NPV (5%) (US\$M)	IRR (%)	Payback (yrs)	NPV (5%) (US\$M)	IRR (%)	Payback (yrs)	NPV (5%) (US\$M)	IRR (%)	Payback (yrs)	
	\$1.05	\$602	14.7	6.9	\$784	17.2	6.3	\$965	19.7	5.8	\$1,237	23.1	4.8	\$1,690	28.5	4.1
	\$1.10	\$673	15.6	6.7	\$854	18.1	6.2	\$1,036	20.4	5.6	\$1,308	23.8	4.8	\$1,761	29.2	4.0
Zn (\$/lb)	\$1.20	\$814	17.4	6.4	\$996	19.7	5.9	\$1,177	22.0	5.2	\$1,449	25.2	4.6	\$1,902	30.5	3.9
	\$1.30	\$955	18.9	6.1	\$1,137	21.2	5.5	\$1,318	23.4	4.9	\$1,590	26.6	4.4	\$2,043	31.7	3.8
	\$1.45	\$1,167	21.2	5.7	\$1,348	23.4	5.1	\$1,530	25.5	4.7	\$1,802	28.6	4.2	\$2,254	33.5	3.7

NPV(5%) upside estimates do NOT include the mine life extension generated by a larger pit at higher silver prices.

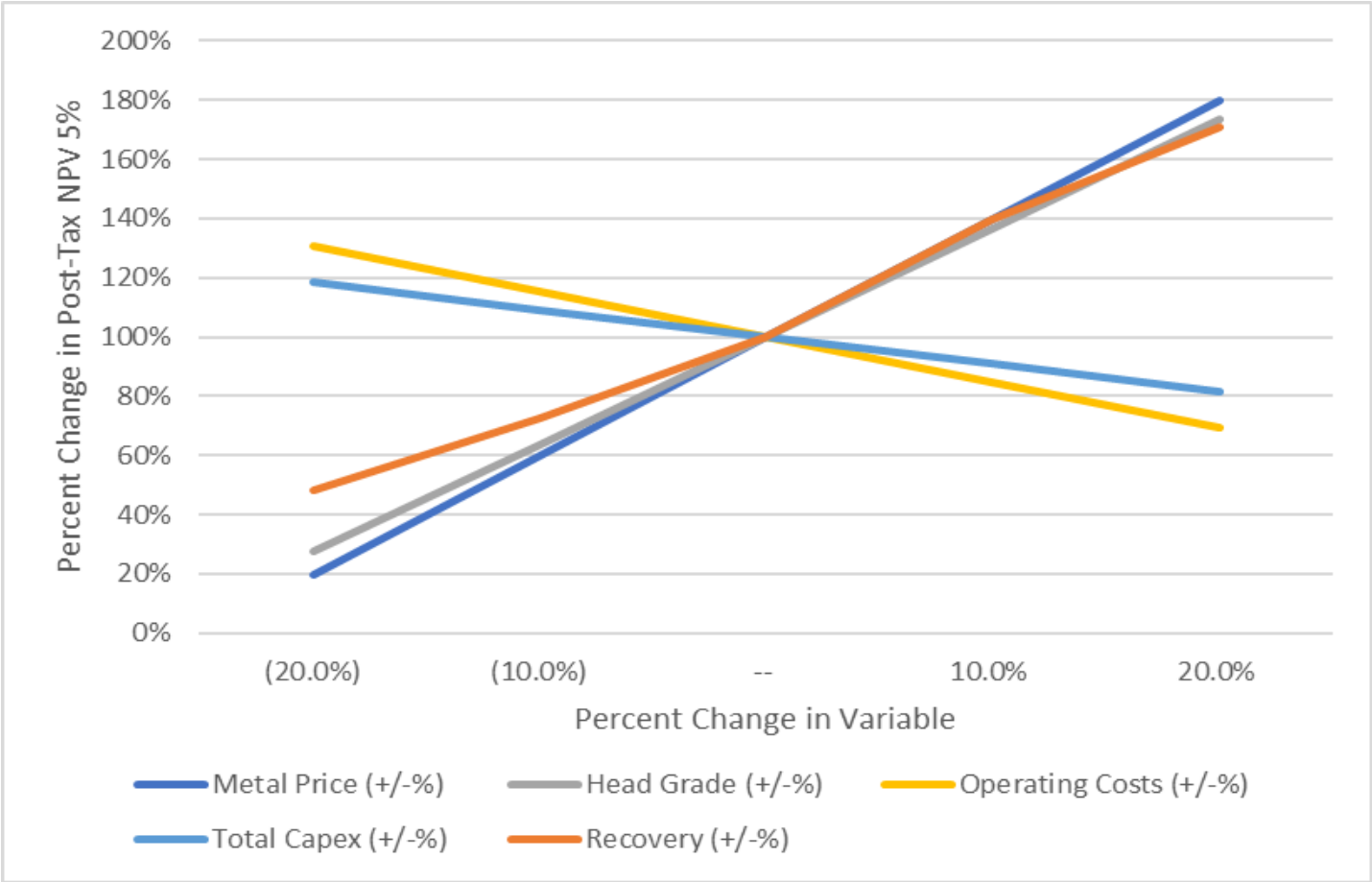
Financial Sensitivities

After-tax NPV(5%) sensitivities to changes to key inputs



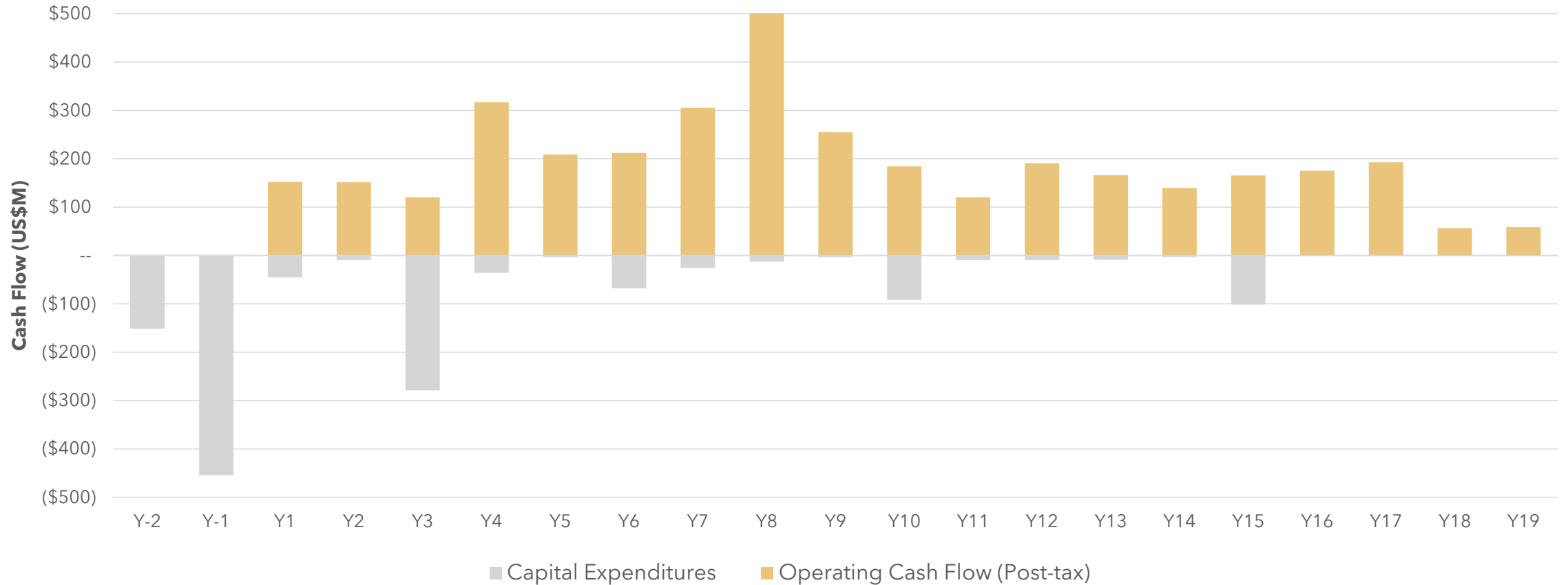
Commodity Price Leverage

Unparalleled leverage to rising silver prices



After-tax Free Cash Flow

Total after-tax free cash flow of US\$2.3 billion over the life of mine



Resource Statement



MATERIAL	CLASS	TONNES (Mt)	GRADE					CONTAINED METAL				
			Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	AgEq (g/t)	Ag (Moz)	Au (koz)	Pb (Mlb)	Zn (Mlb)	AgEq (Moz)
OXIDE	Measured	29	29	0.07	0.23	0.27	49	27	67	148	171	45
	Indicated	37	24	0.06	0.25	0.29	44	28	74	207	241	53
	M&I	66	26	0.07	0.24	0.28	46	55	142	355	412	99
	Inferred	32	19	0.03	0.26	0.33	42	20	35	188	234	43
SULPHIDE	Measured	324	24	0.07	0.34	0.63	57	247	745	2,413	4,473	598
	Indicated	329	18	0.04	0.28	0.58	48	190	416	2,045	4,215	506
	M&I	653	21	0.06	0.31	0.60	53	437	1,161	4,458	8,687	1,104
	Inferred	116	12	0.02	0.16	0.35	30	45	86	418	906	111
TOTAL	Measured	353	24	0.07	0.33	0.60	57	274	812	2,561	4,644	643
	Indicated	366	19	0.04	0.28	0.55	47	218	490	2,252	4,456	559
	M&I	719	21	0.06	0.30	0.57	52	493	1,303	4,813	9,099	1,202
	Inferred	149	14	0.03	0.18	0.35	32	65	121	606	1,140	155

Mineral Resource Estimates are inclusive of Reserves

Net Smelter Return (NSR cut-off)

- NSR - Net revenue less treatment costs & refining charges
- Oxide & Sulphide resource cut-off: \$7.25/t

Pit constraint assumptions

- Ag - \$24.00/oz, Au - \$1,800/oz, Pb - \$1.10/lb, Zn - \$1.20/lb
- Recovery assumptions: Ag - 87%, Au - 18%, Pb - 89% and Zn - 88%. AgEq for sulphide mineralization and Ag - 59%, Au - 18%, Pb - 37% and Zn - 85% for oxide mineralization
- Operating costs: Mining costs of \$1.59/t for ore and waste, Processing costs of \$5.22/t and G&A costs: \$0.86/t

Reserves Statement



MATERIAL	CLASS	TONNES (Mt)	GRADE				CONTAINED METAL			
			Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (Moz)	Au (koz)	Pb (Mlb)	Zn (Mlb)
OXIDE	Proven	10	46	0.08	0.35	0.38	15	0.03	0.08	0.09
	Probable	10	40	0.09	0.40	0.42	13	0.03	0.09	0.09
	Total P&P	20	43	0.08	0.37	0.40	28	0.05	0.17	0.18
SULPHIDE	Proven	212	29	0.09	0.42	0.74	199	0.61	1.96	3.48
	Probable	95	24	0.06	0.40	0.73	74	0.18	0.83	1.53
	Total P&P	307	28	0.08	0.41	0.74	274	0.78	2.79	5.00
TOTAL	Proven	223	30	0.09	0.42	0.73	214	0.64	2.04	3.57
	Probable	104	26	0.06	0.40	0.70	87	0.20	0.91	1.62
	Total P&P	327	29	0.08	0.41	0.72	302	0.84	2.96	5.18

Net Smelter Return (NSR cut-off)

- NSR - Net revenue less treatment costs & refining charges
- Oxide & Sulphide NSR cut-off: \$10.00/t

Pit constraint assumptions

- Ag - \$20.00/oz, Au - \$1,600/oz, Pb - \$0.95/lb, Zn - \$1.20/lb
- The metallurgical recoveries were varied according to head grade and concentrate grades. Lead concentrate recoveries for sulphide material were approximately 87.5%, 73.9% and 12.6% for lead, silver and gold respectively. Zinc concentrate recoveries for sulphide material were approximately 95.0%, 14.3% and 9.5% for zinc, silver and gold respectively. Oxide recoveries to zinc concentrates were 85%, 9% and 8% for zinc, silver, and gold respectively. Oxide recoveries to lead concentrates were 37%, 50% and 10% for lead, silver, and gold respectively..
- Operating costs: The life-of-mine mining cost averaged US\$2.35/t mined, processing costs, G&A and closure costs were US\$7.28/t ore